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MINISTRY OF COMMERCE AND INDUSTRY

RESOLUTION

TARIFFS

New Delhi, the 31st August 1954

No. 13(3)TB/53.—The Tariff Commission has submitted its Report on the continuance of protection to the Preserved Fruits Industry on the basis of an inquiry undertaken by it under Section 11(e) read with Sections 13 and 15 of the Tariff Commission Act, 1951. Its recommendations are as follows:—

(1) The industry will continue to need protection for a further period of two years from 31st December 1954 and the following rates of protective duty should remain in force till 31st December 1956:—

Tariff Item number	Name of the article	Rate of protective duty	
		Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of a British colony
8(3)	Fruits, candied and crystallised.	50 per cent <i>ad valorem</i>
20(3)	Fruits, canned, bottled or otherwise packed, not otherwise specified.	40 per cent <i>ad valorem</i> .	To be fixed in accordance with the provisions of the relevant Trade Agreements.
20(4)	Jams, Jellies and Marmalades, canned, bottled or otherwise packed.	50 per cent <i>ad valorem</i> .	..
20(8)	The following fruits, canned or otherwise packed, namely:— apricots, berries, grapes, plums and prunes, and fruit salads composed not less than 80 per cent in quantity and in value of the above named fruits.	40 per cent <i>ad valorem</i> .	To be fixed in accordance with the provisions of the relevant Trade Agreements.
20(9)	Pineapples, canned or otherwise packed.	To be fixed in accordance with the terms of the relevant Trade Agreements.	35 per cent. <i>ad valorem</i> .

(2) The Fruit and Vegetable Development Board, which is proposed to be established under the Ministry of Food and Agriculture should initiate measures for encouraging horticultural development with a view to increasing the supplies of fruits and vegetables, especially those which are suitable for canning, and thus bringing down their prices to reasonable levels. Steps should also be taken to encourage co-operative arrangements for grading of fruits and to ensure that the premium charges for graded fruits is reasonable.

(3) The Institute of Sugar Technology should investigate the complaint of canners regarding the presence of sulphur and other impurities in the Indian sugar and give necessary advice to the sugar factories.

(4) The excise duty on sugar should be refunded on all protected categories of preserved fruits which are exported from the country, provided suitable administrative arrangements can be made.

(5) The Government of India should use their good offices with the sugar mills for the grant of concessional prices to the fruit preservers.

(6) The Government of India may consider the possibility of supplying fruit preservers with imported sugar provided it is cheaper than indigenous sugar.

(7) Immediate steps should be taken to amend and enlarge the Fruit Products Order and to improve its administration.

(8) The present quantum of licensing fees should be re-examined by Government and fees levied in conformity with the principles followed in other similar cases.

(9) The purchase of fruit products for the Canteen Stores Department should be made from indigenous sources.

(10) To avoid wastage and deterioration of fruits and resultant increase in price to the consumer, the Railway Administration should be requested to ensure the careful handling of fruits by the railway staff, quicken the movement of wagons and adopt effective measures for preventing pilferage. Wagons containing fruits should also be remodelled with a view to providing sufficient ventilation.

(11) The Metal Box Company of India, Ltd., should be requested to reduce the price of cans supplied to the preserved fruits industry to the maximum extent possible.

(12) The Indian Standards Institution should formulate standards for glass bottles in collaboration with the Central Glass and Ceramic Research Institute, Calcutta, and the All-India Food Preservers' Association.

(13) The Government should consider (a) the waiver of the contribution to the Steel Equalization Fund in respect of tinplate used for the manufacture of open top cans for the food preservation industry and (b) removal of the extra price charged for charcoal quality tinplate No. 2, as these would result in considerable reduction in the price of cans supplied to the preserved fruits industry.

(14) While the fruit products manufactured by the properly organised factories are satisfactory, those manufactured by the small and ill-equipped factories are poor in quality, and the sale of sub-standard products alongside those of the efficient units has resulted in a considerable measure of prejudice against all indigenous products. Large consuming establishments of canned and bottled fruit products such as hoteliers, railway caterers and others should, therefore, place their orders directly with producers of quality products, if necessary after inspection of their factories.

(15) The glass industry should endeavour to remove the complaints regarding the quality, such as lack of transparency, non-uniformity in dimensions, improper annealing and the high cost of bottles supplied to the preserved fruits industry.

(16) The industry's request for concessional freight charges may be considered sympathetically by the railway authorities.

2. As regards recommendations (1) above Government accept the need for continuing protection for a further period of two years from 1st January, 1955, and necessary steps to implement this, will be taken in due course. Government also accept the commission's recommendations as regards the levels of the total effective rates of protective duties in respect of tariff items 8(3), 20(4) and 20(9). The standard rate of duties recommended by the Commission for tariff items

Careful consideration of all aspects of the matter Government have decided that the existing effective rates of duties (standard) should continue to apply in the case of these two items, the preferential rates being fixed as recommended by the Commission. In coming to this conclusion Government have taken into account the considerations of revenue which are involved and also the fact that in spite of the higher duties which have been in force the domestic industry does not appear to have put up its prices to the detriment of the consumer. Moreover with a level of duty higher than that judged necessary by the Commission it should be possible for the industry to face competition from imports as and when the existing quota restriction are eased. Notifications giving effect to these decisions have been published today.

3. Recommendations (2), (3) and (4) will be further pursued by Government and their decisions will be separately announced. Government accept recommendations (5) to (12) and steps will be taken to implement them as far as possible.

4. As regards Recommendation (13), Government are unable to accept it since it would not be desirable to single out the preserved fruits industry for relief in respect of tinsplate prices. Besides, the reduction recently made in the selling prices of tinsplates has already afforded some relief to the preserved fruits industry as well as the other industries and the question of affording further relief will be considered by Government as and when circumstances permit.

5. The attention of hoteliers, railway caterers and other large consuming establishments is invited to recommendation (14).

6. The attention of the indigenous glass industry is invited to recommendation (15).

7. As regards recommendation (16), the preserved fruits industry should apply to the railway administrations concerned, who will accord careful consideration to requests for the grant of concessional freight charges.

NOTIFICATION

TARIFFS

New Delhi, the 31st August, 1954

No. 13(3)-TB/53.—In exercise of the powers conferred by sub-section (1) of section 4 of the Indian Tariff Act, 1934 (XXXII of 1934), the Central Government hereby directs that the customs duties leviable under the items of the First Schedule to the said Act as specified in the first and second columns of the Table annexed hereto, shall be modified as indicated in the third column of the said Table:—

TABL

Item number of Tariff	Name of article	Modified duty
" 8(3)	Fruits, candied and crystallised.	50 per cent <i>ad valorem</i> .
20(4)	Jams, Jellies and Marmalades, canned, bottled or otherwise packed.	50 per cent <i>ad valorem</i> .
20(8)	The following fruits, canned or otherwise packed, namely :— Apricots, Berries, Grapes, Plums and Prunes, and fruit salads composed not less than 80 per cent in quantity and in value of the above named fruits—	
	(a) manufactured in a British Colony.	39 per cent <i>ad valorem</i> .
	(b) not manufactured in a British Colony.	45 per cent <i>ad valorem</i> .

Item number of Tariff	Name of article	Modified duty
20(9)	Pineapples, canned or otherwise packed—	
	(a) manufactured in a British Colony.	35 per cent <i>ad valorem</i> .
	(b) not manufactured in a British Colon .	43 per cent <i>ad valorem</i> . "

L. K. JHA, Joint Secy.